

NOTICE OF INTENT TO ADOPT AN URBAN WATER MANAGEMENT PLAN AND HOLD A PUBLIC MEETING TO RECEIVE COMMENTS ON THE PROPOSED PLAN

CALIFORNIA WATER SERVICE COMPANY'S OROVILLE DISTRICT

REMINDER MESSAGE

The Proposed Urban Water Management Plan is now available for review during normal business hours at the Oroville District's Customer Service Center, 1905 High Street, Oroville CA 95965.

It is preferred that prior arrangements be made with the district's management for viewing the Proposed Urban Water Management Plan. These arrangements can be made by calling (530) 533-4034.

Cal Water has placed the Oroville UWMP on an FTP site, where City and County officials may access any portion of the plan for review. The site can be accessed at http://calwater.ftptoday.com;

The user name is **cwsftp24** and the password is **1nterteL**.

The UWMP will be available at this FTP site on or about April 1, 2011 through June 15, 2011.

The Public Meeting to receive comments on the Proposed Urban Water Management Plan and the Conservation Master Plan will be held on May 10, 2011, from 2:00 p.m. to 4:00 p.m., at the Oroville Customer Service Center, which is located at 1905 High Street, Oroville CA 95965.

If you are unable to attend the scheduled public meeting but want to provide comments regarding the proposed UWMP, you may send your comments in writing via mail or email to:

Thomas A. Salzano, Water Resource Planning Supervisor California Water Service Company 1720 North First Street San Jose, CA 95112-4598 tsalzano@calwater.com

Cal Water will receive comments on the proposed UWMP from April 1, 2011 through June 15, 2011.





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California Water Code, Part 2.6 Chapters 1 through 4 (Sections 10610 through 10656), are known and may be cited as the "Urban Water Management Planning Act."

These California Water Code sections require all urban water suppliers that provide water for municipal purposes either directly or indirectly to more than 3,000 customers or supply more than 3,000 acre-feet of water annually to prepare an Urban Water Management Plan as outlined and identified in those sections. This requirement applies to public and privately owned water utilities.

The plan must describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation, and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan must address measures for residential, commercial, governmental, and industrial water demand management.

The act requires urban water suppliers to update their Urban Water Management Plans at least once every five years, and to file updated plans with the Department of Water Resources, the California State Library, and any city or county served by the supplier no later than 30 days after adoption.

California Water Service Company (Cal Water) is an investor-owned public utility providing water service throughout California. In addition, Cal Water is regulated by the California Public Utilities Commission (CPUC).

One of Cal Water's service areas is the Oroville District, which is located in Butte County. The Oroville District serves a portion of the City of Oroville and some unincorporated portions of Butte County.

As a defined urban water supplier, Cal Water is preparing an update to its Urban Water Management Plan that will address the water service conditions in the Oroville District. It is Cal Water's intent to adopt that plan and file that plan as required with the Department of Water Resources, the California State Library, and any city or county within which Cal Water provides service.

A key focus of this UWMP update is the conservation requirement set forth in Senate Bill 7 (SBx7-7) as passed in November 2009. SBx7-7 mandates a statewide 20% reduction in per capita urban water use by 2020. In order to quantify the objectives and identify the means of achieving this mandated demand reduction, Cal Water has prepared a Conservation Master Plan.

Cal Water is in the process of expanding current conservation programs and developing new programs for its 24 districts. Over the next five years, Cal Water conservation program expenditures are likely to increase, due in large measure to recently adopted state policies requiring future reductions in per capita urban water use. These state policies include SBx7-7, as well as recent decisions by the California Public Utilities Commission (CPUC) directing Class A and B water utilities to adopt conservation programs and rate structures designed to achieve reductions in per capita water use, as well as the *Memorandum of Understanding Regarding Urban Water Conservation in California* (MOU), of which Cal Water has been a signatory since 1991.

The Conservation Master Plan for the Oroville District will be presented to the Cities, Counties and public served by Cal Water's Oroville District in conjunction with the UWMP.

Schedule of upcoming actions:

On or about April 1, 2011, a copy of the Proposed Urban Water Management Plan and the Conservation Master Plan will be available for review during normal business hours at the Oroville District's Customer Service Center, 1905 High Street, Oroville CA 95965.

It is preferred that prior arrangements be made with the district's management for viewing the Proposed Urban Water Management Plan and/or the Conservation Master Plan. These arrangements can be made by calling (530) 533-4034.

As an alternative to reviewing the Proposed Urban Water Management Plan or Conservation Master Plan in Cal Water's Oroville District Customer Service Center, Cal Water will make an electronic copy of the Proposed Urban Water Management Plan available on or about April 1, 2011.

It is Cal Water's intent to place the Oroville UWMP on an FTP site, where City and County officials may access any portion of the plan for review. The site can be accessed at http://calwater.ftptoday.com;

The user name is **cwsftp24** and the password is **1nterteL**.

The UWMP will be available at this FTP site on or about April 1, 2011 through June 15, 2011.

Cal Water will receive comments on the proposed UWMP and the Conservation Master Plan from April 1, 2011 through June 15, 2011.

If there are issues with accessing the electronic copy, you may contact Michael Bolzowski at the company's headquarters at 1720 North First Street, San Jose, California 95112-4598, by calling (408) 367-8200, or by email at mbolzowski@calwater.com.

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Thomas A. Salzano, Water Resource Planning Supervisor California Water Service Company 1720 North First Street San Jose, CA 95112-4598

Or by email at tsalzano@calwater.com

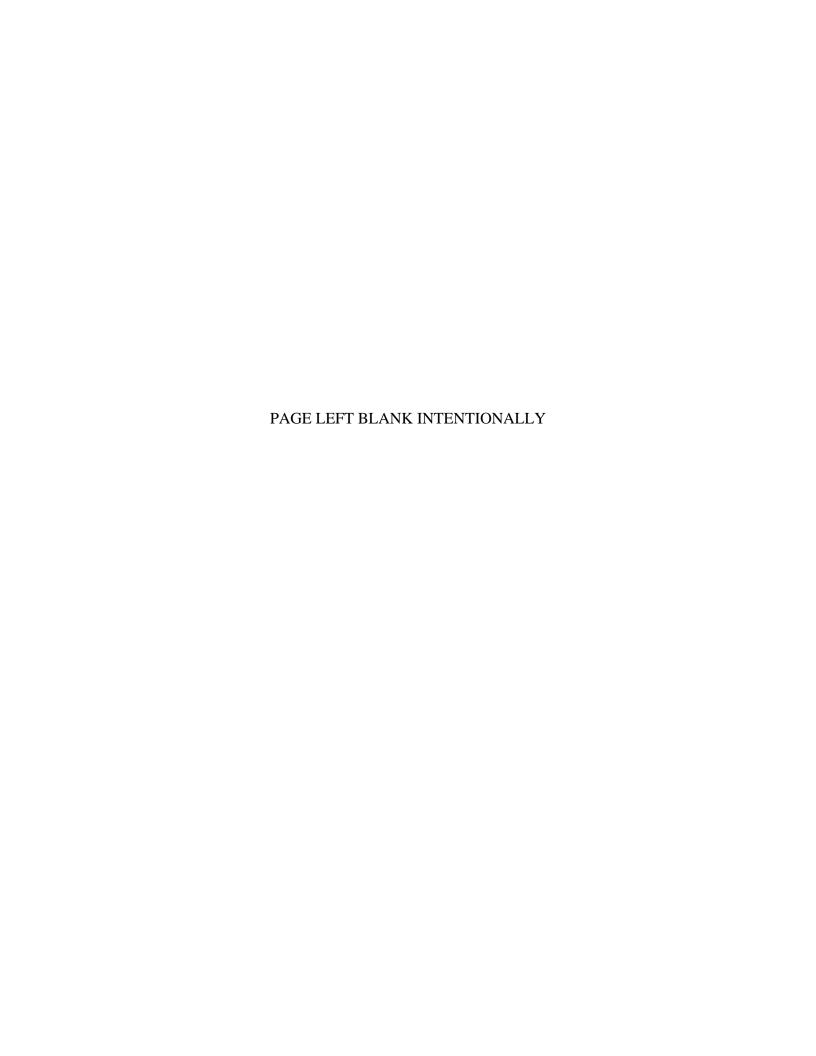
Comments regarding the Conservation Master Plan for Oroville should be sent to:

Kenneth G. Jenkins, Conservation Manager California Water Service Company 2632 West 237th Street Torrance, CA 90505

Or by email at kjenkins@calwater.com

If there were any errors in the address to which notice was sent, please send corrections to Tom Salzano at the above address so that we can update our information.

Also, please share this with others on your staff that may have the need to know.





Tully & Young, Inc. 3600 American River Drive, Suite 260 Sacramento, CA 95864

October 21, 2010

Mr. Toni Ruggle
District Manager
Oroville District
California Water Service Company
1905 High Street
Oroville, CA 95965-4938

Dear Mr. Ruggle:

The City of Oroville (City) is undertaking an information consolidation exercise to develop a policy framework that facilitates communication between the City and water purveyors, particularly in the context of land planning decisions. Not only does the City want to ensure the provision of affordable, high quality water service by the three water purveyors within the City, but also the availability of water supplies for current and future community development efforts. To develop the framework, the City is seeking to understand various characteristics of the water purveyors serving water within the City.

The City has hired Tully & Young, Inc. to gather, review and summarize available data and information regarding water service in the City and prepare documents designed to assist City staff and elected officials. To-date, Tully & Young has reviewed a copy of the following documents that contain water resources information regarding California Water Service Company — Oroville District (Cal Water — Oroville):

- 2006 California Water Service Company Oroville District UWMP (Cal Water UWMP)
- 2006 Final Municipal Services Review, Domestic Water and Wastewater Service Providers, Butte County Local Agency Formation Commission (2006 MSR)

Specifically, the City would like to obtain any updates to these documents, as well as other documents deemed necessary by you, that contain relevant information regarding the following characteristics of Cal Water - Oroville:

- Service area growth projections (if there is an update to Chapter 5.4 of the Cal Water UWMP)
- Existing and planned water supplies, including a basis for the current and projected quantities (if there is an update to either Chapter 3 or Chapter 6 of the UWMP or if a strategy has been selected addressing the recommendations in the Water Supply Study in Appendix E of the UWMP)

- Existing and projected water supply reliability (if there is an update to Chapter 3 or 6 of the UWMP or if a strategy has been selected addressing the recommendations in the Water Supply Study in Appendix E)
- Existing and projected water demands, including the methodology used to develop the projected water demands (if there is an update to Chapter 5 in the UWMP)
- Water demand assumptions associated specifically with water service to customers within the City of Oroville
- Existing water conveyance, treatment, and distribution infrastructure capacity or facilities improvement plans (if there is an update to the capacity and facilities discussion in Chapter 5.5 of the UWMP or the Water Supply Study in Appendix E)
- Water conservation plan (if there is a broader conservation strategy than Chapter 7 of the UWMP)
- Rates and the rate development process, including an explanation of the cost elements and the associated regulatory environment (if there is an update to, or additional information not included in, the "Financing and Rate Restructuring" section of the 2006 MSR)

Please forward information directly to me at Tully & Young, Inc. either by mail or electronic mail as follows:

Tully & Young 3600 American River Drive Suite 260 Sacramento, CA 95864 aferguson@tullyandyoung.com

If you have any questions or would like to discuss this request further, please contact me at (916) 760-7464.

Regards,

Aaron Ferguson

Senior Resources Planner

cc: Tom Fitzpatrick, City of Oroville Richard Walls, City of Oroville May 20, 2008

City of Oroville, Community Services and Public Works Eric M. Teitelman, Director 1735 Montgomery Street Oroville, CA 95965

Dear Mr. Teitelman,

California Water Service Company (Cal Water) is in the process of preparing an update to the current Urban Water Management Plan (UWMP) for the Oroville District as a part of its 2009 Public Utilities Commission General Rate Case filing. This UWMP will serve as a long term planning document for water supply and can be an important source of information for city and county General Plans.

Cal Water will file the complete updated Plan with the Department of Water Resources in 2010. We are requesting your participation in the updating of this Plan and are seeking comments on the previous version, which was completed and sent to you in 2006.

We intend to address these comments prior to the normal review period, which occurs in the second quarter of 2009. This will facilitate preparation of the final draft of the UWMP and insure that any issues have been resolved to the satisfaction of both our organizations. Please submit your comments by September 1, 2008 so that we have adequate time to address your concerns.

If necessary we are available for a meeting to discuss these concerns or to provide clarification on the contents of the Plan.

If you do not have a copy of the 2006 Oroville District UWMP we would be happy to provide one to you. Please send any comments or questions to my attention:

Thomas Salzano
Water Resources Planning Supervisor
1720 North First Street, San Jose, CA 95112
(408) 367-8340 (phone) (408) 367-8427 (fax)
tsalzano@calwater.com

Thank you for your time,

Thomas Salyano

Thomas A. Salzano Water Resources Planning Supervisor May 20, 2008

Butte County Department of Water Resources Conservation Vicki Newlin, Director 308 Nelson Avenue Oroville, CA 95965

Dear Ms. Newlin,

California Water Service Company (Cal Water) is in the process of preparing an update to the current Urban Water Management Plan (UWMP) for the Oroville District as a part of its 2009 Public Utilities Commission General Rate Case filing. This UWMP will serve as a long term planning document for water supply and can be an important source of information for city and county General Plans.

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tsalzano@calwater.com

Thank you for your time,

Thomas Salyano

Thomas A. Salzano Water Resources Planning Supervisor May 20, 2008

Pacific Gas and Electric Robin Moulder 2226 Veatch Street Oroville, CA 95965

Dear Mr. Moulder,

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Thomas A. Salzano Water Resources Planning Supervisor



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